



Barber Shops, Beauty Salons & New Jersey Sales Tax

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Introduction

Barber shops, beauty salons, day spas, and similar establishments are primarily engaged in the business of providing personal services to customers. Although most charges for personal services are exempt from sales tax, certain services performed in salons are taxable. In addition to performing personal services, many salons also sell hair care or other beauty products (e.g., wigs, hair styling products, skin care products, etc.) that are subject to sales tax. Salons that do business in this State must register with New Jersey by filing a **Business Registration Application (Form NJ-REG)** and must collect and remit sales tax and use tax as required. A Public Records Filing may also be required depending upon the type of business ownership. For more information on Public Records Filing call 609-292-9292.

This bulletin explains when barber shops, beauty salons, day spas, and similar establishments must pay sales tax on items they purchase and when they must collect tax from their customers on products and services.

NOTE: This bulletin does not apply to services provided for pets, horses, or other animals. For more information see ANJ-12, *Veterinarians and New Jersey Sales Tax*.

Exempt Services

Most personal services performed in a salon are exempt from sales tax. Therefore, the salon's customers do not pay sales tax for these services. The following are examples of services exempt from sales tax at a salon or day spa:

Hair Services

- Braiding
- Cutting
- Deep conditioning
- Hair extensions
- Hair straightening
- Highlighting and coloring
- Perming
- Scalp treatments
- Shampooing
- Styling
- Updos

Nail Services

- Airbrushing
- Fills
- Full Sets
- Manicures
- Nail sculpting
- Paraffin Treatments
- Pedicures
- Polish changes
- Wraps

Beauty Services

- Makeup application
- Makeup lessons

Body Treatments/Skin Care

- Facials
- Microdermabrasion
- Peels
- Scrubs
- Wraps

Hair Removal

- Waxing
- Threading

NOTE: Some services may be subject to the [cosmetic medical procedures gross receipts tax](#).

Taxable Services

Certain personal services performed in a salon are taxable. Therefore the salon's customers must pay sales tax for these services. The following are examples of taxable services at a salon or day spa:

Massage Services

- Deep tissue/body massages
- Swedish massages

Tanning Services

- Sunless tan applications
- Tanning beds/booths

Tattooing

- Permanent cosmetic makeup applications

Supplies and Equipment

Owners of salons pay sales tax on the supplies and equipment that will be used to provide their services. The salon is the end user of these items, and therefore must pay sales tax on these purchases. For example, a salon owner must pay sales tax on the purchase of scissors used to cut hair. If the salon owner does not pay sales tax at the time of purchase, the salon owner owes use tax. For more information on use tax request ANJ-7, *Use Tax in New Jersey*.

The following are examples of taxable supplies and equipment:

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| • Acrylic tips | • Curling irons | • Mirrors |
| • Barber and stylist chairs | • Curlers | • Nail polish and files |
| • Blow dryers | • Customer gowns | • Shampoo, conditioner |
| • Brushes, combs | • Hair dye | • Tanning beds |
| • Cabinets for supplies | • Hair removal strips | • Wax |
| • Cotton for perming | • Massage tables and chairs | |

Retail Sales

When salons sell tangible personal property (shampoo, conditioner, wigs, makeup, nail polish, etc.) in addition to providing personal services, sales tax must be collected on the sales of those taxable products. Products which will be sold to customers may be purchased without paying sales tax with a **Resale Certificate (Form ST-3)**. The resale certificate may be used to purchase items for resale **only**. If the salon cannot distinguish between what it will use in providing its personal services and what it will sell, the salon must pay sales tax on the transaction.

Example: A salon sells a customer a hot oil treatment to use at home. The customer pays sales tax, which is then remitted to the State. When the salon owner purchases the hot oil treatment for resale, the salon owner may issue an ST-3 to the supplier and pay no sales tax.

Example: The salon purchases nail polish for both retail sales to customers and manicurists' use when polishing nails. If the salon owner is unable to determine how much of the nail polish purchased will be sold to customers and how much will be used by the salon's staff, sales tax must be paid on **all** of the nail polish purchased.

If a salon owner paid sales tax on items that were later resold, and tax was collected from the client and remitted to the State, the salon owner may be entitled to a refund. To apply for a refund, an Application for Refund, Form A-3730, must be completed.

Sales For Resale

When a salon sells taxable products to a customer who intends to resell the items, the salon is not required to collect sales tax provided the purchaser issues a valid resale certificate.

Example: S&V Spa, a day spa registered with New Jersey, runs out of the massage oil which it sells to its clients at retail, and decides to buy the massage oil from Taylor's Salon, which is also registered with New Jersey. S&V Spa's owner issues Taylor's Salon a properly completed **Resale Certificate (Form ST-3)** and pays no sales tax to Taylor's Salon. S&V Spa then collects sales tax from its clients when it sells the massage oil.

Out-of-State businesses may also make tax-exempt purchases in New Jersey of goods and services purchased for resale out of State. When goods are picked up in New Jersey qualified businesses may issue the **Resale Certificate for Non-New Jersey Vendors (Form ST-3NR)**.

Example: A Pennsylvania salon exhausts its inventory of the tanning lotion it sells to clients and decides to purchase a supply from a New Jersey salon. The Pennsylvania salon owner, who is not registered with New Jersey, issues Form ST-3NR when he comes to New Jersey to pick up the tanning lotion and does not pay New Jersey sales tax on the tanning lotion. The New Jersey salon accepts the certificate and does not charge sales tax on the transaction.

Out-of-State businesses may also make tax-exempt purchases for resale using a **Resale Certificate (Form ST-3)** or the **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)**.

For More Information

For more information on barber shops, beauty salons, and New Jersey sales tax, contact the Division's Customer Service Center at 609-292-6400, e-mail us at nj.taxation@treas.state.nj.us, or write to:

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Many State tax forms and publications are now available, both by fax and on our Web site. Call NJ TaxFax at 609-826-4500 from your fax machine's phone, or access the Division's home page at:
www.state.nj.us/treasury/taxation/